

REMARKS

In response to the Office Action dated March 8, 2006, Applicants respectfully request reconsideration and withdrawal of the rejection of the claims and objection to the drawings.

The drawings were objected to on the same basis as in the previous Office Action, namely that they were not considered to show the claimed "concentrated zones" or "polymer matrix". As pointed out in Applicants' Response filed December 23, 2005, the figures do, in fact, illustrate these claimed features. The most recent Office Action repeats the objection, but does not address the substance of Applicants' response.

To remove the issue, replacement sheets of Figures 1a-c and 2a-c are being submitted herewith. The replacement drawings include labels that clearly identify the concentrated zones and the polymer matrix. Specifically, as pointed out in Applicants' previous Response, the dark portions in the figures represent the concentrated zones within the context of the claimed subject matter. Withdrawal of the objection to the drawings is respectfully requested.

Claims 1-13 were rejected under 35 U.S.C. §102, on the basis of the newly-cited *Bartlett et al.* patent (U.S. 3,401,377). To further clarify the differences from the structure shown in this patent, claim 1 now recites that the magnetostrictive composite layer includes magnetostrictive material that is dispersed within a polymer matrix, and that the matrix is of a continuous form. Further, the dispersion orientation of the magnetostrictive material is along a direction such that a magnetization axis is clearly defined. It is respectfully submitted that the common lines (44) of the structure shown in the *Bartlett* patent do not provide this claimed

feature. The common lines are of monolithic form, and are disclosed as being formed from electrically conductive strips. As such, they cannot be considered to be dispersion zones within the context of claim 1.

For the foregoing reasons, it is respectfully submitted that the subject matter of claim 1 is not anticipated by the *Bartlett* patent. For at least these same reasons, therefore, dependent claims 2-13 are likewise not anticipated.

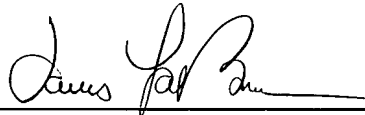
Reconsideration and withdrawal of the objection and rejection, and allowance of all pending claims is respectfully requested.

Respectfully submitted,

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Date: September 8, 2006

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